



By facsimile and mail

December 14, 1999

Steve Ritchie  
CALFED Bay-Delta Program  
1416 Ninth Street  
Sacramento, CA 95814

Dear Steve:

I am writing in response to your request for comments on the December 7 Preliminary Stage 1 Implementation Framework that was distributed at the most recent (and last?) Water Management Development Team meeting. For a more complete discussion of related issues, please see our attached November 15 recommendations regarding the development of a Water Management Strategy (WMS). Unfortunately, these recommendations have not been adequately addressed. The current document continues to avoid key issues that the environmental community has raised for the past several years. These issues include:

State Cooperation: The State has indicated that it may not cooperate in the implementation of the CVPIA. Without such a commitment, the WMS cannot establish a firm foundation to serve as the basis for further progress. For example, if the Department of Interior implements a fish protection measure using B2 water, but the State maintains that such additional flows must be purchased, it will not be possible to move forward with a joint state-federal water transfers program designed to provide additional protection above the baseline.

Economics: CALFED has not adopted a meaningful definition of water supply reliability or a meaningful set of water supply reliability goals and objectives. We continue to believe that such a definition and goals should be driven by economics and environmental compatibility. The current document fails to indicate how the results of the Economic Evaluation of Water Management Alternatives will be incorporated in the decision making process. More specifically, the document does not indicate what role, if any, cost-effectiveness will play in the selection of tools for the WMS.

Financing: The document indicates that initial funding for all of the actions will come from federal and state appropriations. This appears to suggest that there will be no financing from beneficiaries in the initial stages. We believe that this is inappropriate. Further, there is no mechanism for evaluating willingness to pay and to incorporate these results into the WMS. What will CALFED do, for example, if, after the expenditure of public funds for the development of a particular tool, no beneficiaries are willing to pay for that tool? Given recent experience in California, this question is not theoretical. CALFED must incorporate a meaningful financing

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strategy into the process of selecting tools, not just into the implementation of tools. Finally, could you explain how the proposal to compensate water users for temporarily shifting to alternative water supplies that are already available to them (page 7) is consistent with the beneficiary pays principle?

Bond Funding: NRDC has on several occasions requested that documents in the WMDT be revised to reflect the provisions of the water bond. Despite assurances that such revisions would be made, the current document continues to ignore the water bond. That bond requires CALFED to determine how the benefits from tools funded by that bond should be allocated. We believe that, given the level of public financing, a portion of all of the tools in the bond, including conservation, reclamation, groundwater and more, should be allocated to the EWA. Tools such as reclamation are not explicitly mentioned in the document. Likewise, the bond's requirement that CALFED determine how much of the water generated by the water bond should be allocated to an EWA is not discussed.

Supply-Side Bias: The document continues to stress supply-side measures. Demand management tools are either ignored or downplayed. It does not, for example, contain an adequate discussion of conservation and water reclamation. Water transfers for water supply purposes are not even discussed.

Allocating the Water: The document indicates that CALFED intends to allocate enough water to the environment so that there will be no need for additional regulatory reallocations. However, the initial model runs have not allocated any additional water to the environment. The environment and water users should share the water benefits from cost-effective and environmentally compatible water supply tools.

Mitigation First: The document fails to indicate that some tools would have no or minimal environmental impacts (e.g. reclamation) and that others could have serious impacts (surface storage, joint point, increasing Banks pumping). The document does not indicate that it would be necessary to allocate water from some proposed tools to mitigate for environmental damage. Such mitigation would be necessary before any water could be allocated to water users or environmental restoration.

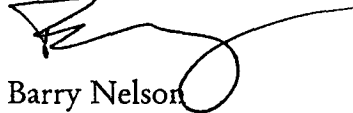
Assurances: There is no credible data yet suggesting that an EWA will be able to provide the level of assurances, with regard to regulatory requirements, currently under discussion within CALFED.

Water Quality: The document ignores the need to protect water quality for the protection of the ecosystem. In addition, the water quality issue is cast in terms that appear to be designed to increase conflict regarding Delta facilities. The discussion of water quality should be broadened to include the ecosystem and a full range of drinking water issues.

Adaptive Management. The document discusses an adaptive management approach to the ecosystem and to water quality. However, it is striking that in a Water Management Strategy document there is no discussion of adaptive management of an overall water supply reliability strategy. Adaptability is a key factor in evaluating potential water supply reliability tools. And tools such as dams and conservation programs are dramatically different from an adaptive management perspective. CALFED has adopted adaptive management as a central principle. That principle should be reflected in the WMS.

I look forward to working with CALFED to design and economically and environmentally sound water management strategy. Thank you for considering our comments.

Sincerely,



Barry Nelson  
Senior Policy Analyst

cc: Secretary Mary Nichols  
Assistant Secretary Patty Beneke  
Mike Spear, FWS  
Steve Macaulay, DWR  
Mark Cowin  
Mary Selkirk